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Ex-Wealth Manager Sues JP Morgan Over Termination

(Updates with comment from J.P. Morgan.)

By Chad Bray Of DOW JONES NEWSWIRES

NEW YORK (Dow Jones)--A former J.P. Morgan Chase & Co. (JPM) wealth manager has sued the bank, alleging she was terminated after prompting an investigation into potential unlawful conduct by a longtime client.

In the lawsuit, filed with the U.S. District Court in Manhattan Monday, Jennifer Sharkey, a vice president and wealth manager in the company's Private Wealth Management department from October 2006 to August 2009, alleged she repeatedly raised issues last year with her superiors about the client's potential involvement in mail fraud, bank fraud and money laundering, but her concerns were ignored.

Sharkey initiated an internal audit of the client's activities, known as a "Know Your Client" assessment, according to the lawsuit. She was fired in August 2009 a week after she recommended in the audit that the client relationship be severed, according to the lawsuit.

Her superiors "pressured Ms. Sharkey to condone the suspect client's practices and when she refused, they retaliated against Ms. Sharkey in a blatant attempt to silence her," the lawsuit said.

The client, who isn't named, is described as a "high-revenue producing Israeli client" whose account had been with J.P. Morgan for more than 20 years and generated quarterly returns of about \$150,000, according to the lawsuit.

The lawsuit alleged Sharkey was contacted by the company's compliance department shortly after she was assigned the client in January 2009 about his potential unlawful activities.

After conducting her own research, she formed a "reasonable belief" that the client was engaging in illegal activities and recommended to her superiors verbally and in writing that the relationship be terminated, according to the lawsuit. Those concerns were ignored, the lawsuit said.

She was fired in August 2009, six days after she submitted a report recommending the client be terminated, according to the lawsuit.

"We believe this case is completely without merit whatsoever," said Darin Oduyoye, a J.P. Morgan spokesman.

-By Chad Bray, Dow Jones Newswires; 212-227-2017; chad.bray@dowjones.com